

Editorial Note

This is the first issue of the Health Insurance Fund newsletter, hereafter referred to as 'The Fund', which will appear at least twice a year. With this newsletter we would like to bring you up-to-date with the latest developments of The Fund.

The Fund was officially registered under the name Health Insurance Fund at the Chamber of Commerce in Amsterdam on 6 October 2005 and was initiated by Kees Storm (former CEO of AEGON). The board of directors consists of Kees Storm, Margreeth de Boer (Chairperson CSR, former Minister of VROM), Maarten Dijkshoorn (CEO of Achmea), Peter van Rooijen (board member of the Global Fund and former director of the Dutch AIDS Fonds and Stop AIDS Now!), professor Joep Lange (AMC Center for Poverty-related Communicable Diseases/UvA, former president of the International AIDS Society), Sjoerd van Keulen (CEO of SNS Reaal) and professor Jacques van der Gaag (UvA, former Chief Economist for Human Development, World Bank).

The Fund aims to make general health and HIV/AIDS insurance available to currently uninsured people in Africa by utilising and upgrading the existing private healthcare infrastructure in collaboration with the public sector.

The Fund not only wants to increase access to general health care and HIV/AIDS treatment, but also aims to realise investments in the healthcare delivery infrastructure and intends to enforce quality standards. This approach is based on the broad experience obtained by PharmAccess with innovative HIV/AIDS treatment programmes, on international research publications, and on the increasing need for alternative approaches to provide HIV/AIDS treatment and general health care in Africa.

In December 2005 several board members of The Fund visited Nigeria, one of the countries The Fund will focus on. During their visit they met with Hygeia, a local Health Maintenance Organisation (HMO), and with local financial institutions. The board members also visited potential target groups in Lagos and Kwara state, such as the Lagos Market Women. The visit was very successful and brought to light the necessity and potential of Nigeria as one of the core countries for The Fund's programme.

'It is a land full of cowboys,'
said Sjoerd van Keulen when he was made to drive against traffic in Lagos.

The Fund and PharmAccess have started various activities in preparation for insurance programmes in a number of African countries like Nigeria, Uganda, Rwanda, Kenya, Zambia and Lesotho. PharmAccess has been working in a partnership with the Dutch Ministry of Foreign Affairs to realise the first substantial contribution to The Fund. On the 23rd of March, 2006, The Fund was discussed in an official meeting with the Dutch Minister of Development Cooperation, Mrs van Ardenne, and Kees Storm, Jacques van der Gaag, Sjoerd van Keulen and Onno Schellekens. During this discussion Minister van Ardenne agreed to a formal announcement of the launch of the Fund on June 28th, 2006.



Delegates of PharmAccess, The Fund, and the Dutch Ministry at Lagoon Hospital in Lagos

During another special meeting, held at the Dutch ministry in March, Peter Piot, executive director of UNAIDS, was informed about the initiatives of the Dutch private sector in the fight against HIV/AIDS. Representatives of Shell, Unilever, Celtel, Heineken and PharmAccess were also present at this meeting. Focal point of the discussion was the pressing need to set up health insurance schemes in African countries to achieve results in the fight against HIV/AIDS. Peter Piot confirmed his support for this approach and reflected positively on the presentations given by Jacques van der Gaag and Onno Schellekens. In the future, UNAIDS could serve as an important advocate of insurance schemes in Africa.

The corporate governance structure of The Fund and the framework for support of health insurance schemes are currently being defined and formalised. We are pleased that Price Waterhouse Coopers (PWC) has agreed to provide the necessary support in setting up the corporate governance and organisational structure of The Fund. As part of its Corporate Social Responsibility policy, PWC will carry out these activities free of charge.

In this newsletter we will describe some activities that are relevant to The Fund. One of these activities, the insurance programme in Namibia that was initiated in September 2004, illustrates a typical approach to insurance. In Nigeria, Rwanda, Kenya, Zambia, Lesotho and Uganda the funding of schemes is being investigated. In all of these countries limited donor funds have been granted to health insurers inherently defying the importance of health insurance and the principle of risk-pooling. This is a fact which we are ardently trying to change.

IMPORTANT DATA

6 OCTOBER 2005

Official registration of the Health Insurance Fund

17 MARCH 2006

Meeting with the "Vaste Kamer Commissie" and Peter Piot (Executive Director, UNAIDS)

23 MARCH 2006

Meeting with Minister of Development Cooperation van Ardenne

28 JUNE 2006

Official launch of the Health Insurance Fund by Minister van Ardenne and Kees Storm

Namibia: a role model for The Fund?

The objective of the PharmAccess programme in Namibia is to establish a strong basis for sustainable AIDS treatment. PharmAccess tries to accomplish this through a network of private/public partnerships and also by facilitating access to basic health care and HAART (Highly Active Anti-Retroviral Therapy) treatment for more people. The project is financed by the Dutch Postcode Lottery and is supported by HIVOS and the Dutch AIDS Fonds/Stop AIDS Now!.

Since February 2006, PharmAccess is supporting two new medical insurance products by which we believe we can relieve the burden on the state. These products have been specifically designed to provide access to basic general health care and HAART treatment to previously uninsured employer groups. They contain coverage for basic outpatient day care needs, ART (Anti-Retroviral Therapy), opportunistic infections and hospitalisation.



Joep Lange and Jean Louis Homé during a visit of the 'Lady Mechanics' in Lagos

To enable risk-sharing between the previously uninsured population and the currently insured population, the risk is pooled into a Risk Equalisation Fund (REF), which has a specific set of HIV/AIDS treatment benefits attached to it. The REF HIV/AIDS benefit serves as a top-up to other comprehensive health insurance products. PharmAccess provides support by partly subsidising the premium of the HIV/AIDS insurance product and by carrying out third-party clinical management control.

Presently, an estimated 40% of the formally economically active population in Namibia is covered by private health insurance. The total size of this population is approximately 795,500 (including employee dependents). When all these people are covered through the PharmAccess-supported model, the healthcare burden on the state can be reduced from 84% to 40% of the total Namibian population.

Together with a local partner in Namibia, Prosperity Health Group, PharmAccess is in the process of investigating the setting up of a similar system in Lesotho and Zambia.

Ingrid de Beer – General Manager of PharmAccess in Namibia

Measuring the impact of affordable health insurance in Namibia

As outlined by Ingrid de Beer, the REF was recently established by different Namibian medical aids and is supported by PharmAccess. The REF insurance intervention will be monitored and evaluated (M&E) through a separate project that is jointly carried out by the Universities of Namibia (UNAM) and Amsterdam (UvA). These surveys will provide insight into the socio-economic and medical impact as well as the sustainability of affordable health insurances in Namibia.

1. A complete analysis will be made of the current health insurance options in Namibia, both in the public and in the private sector.
2. A household survey will be performed amongst a representative sample of the greater Windhoek population (2,000 households). This survey will be followed by a medical survey, including a saliva-based HIV test. This procedure will be repeated annually for the next three years.
3. Focused socio-economic and medical surveys will be performed amongst specific target populations such as employees of a particular company or people insured with a certain insurance company. In addition, the specific impact of these health insurance options on Namibian employers will be studied in terms of workers productivity, absenteeism, funeral leave, etc.
4. A capacity-building component that allows for transfer of knowledge, competences and skills to Namibian institutions, including the UNAM and the National Institute of Pathology (NIP), will be included in the analysis.

Dr. Tobias Rinke de Wit – Director Advocacy and Research, PharmAccess. Tobias is the architect of the Namibian Healthcare programme.



Katutura Medical Centre in Windhoek, Namibia – a healthcare clinic used in the Namibian insurance programme

Progress in HIF preparations in Nigeria

Over the past two years PharmAccess has worked closely together with Hygeia, a local Health Management Organisation, to establish an insurance scheme aimed at uninsured low- to middle-income groups. Currently, PharmAccess and Hygeia are in the process of preparing a programme proposal for The Fund. Several parallel activities have been initiated, such as:

- The Lagos Market Women and the Kwara State population have been selected as target groups for the insurance scheme. These populations consist of approximately 46,000 and 60,000 people, respectively. Hygeia – in close collaboration with local consultants and the integrated healthcare organisation Apollo¹ – performs a study to get a thorough understanding of both target groups. This study is combined with a macro-economic study to identify the risks and opportunities offered by the Nigerian context and focuses specifically on the healthcare environment. In collaboration with PharmAccess Hygeia is developing insurance schemes tailored to the needs of these two target groups.
- PharmAccess has hired PWC to carry out financial and operational due diligence of Hygeia. In addition, PWC will carry out a quick scan / SWOT analysis of Hygeia's fulfilment plan once it has been developed. This fulfilment plan is currently being developed.
- To assist Hygeia in preparing its fulfilment proposal, Margriet Glazenberg and Hanneke Peeters visited Lagos last March. They interviewed key persons within Hygeia. The outcomes of these interviews, as well as the specific requirements of The Fund, were used as input for a workshop with Fola Lahoye (Managing Director Hygeia Group), Kola Awokoyo (Managing Director Hygeia HMO) and Njide Ndili (COO Hygeia HMO). In this workshop several questions were discussed, such as:
 - What is Hygeia's strategy to ensure sufficient enrolment on the insurance scheme?
 - How will we ensure that the enrollees indeed use their insurance?
 - How is the quality of the medical services guaranteed and monitored and what are the internal control systems and measures?

Hanneke Peeters – Project manager at PharmAccess and responsible for the workplace programme of the Stichting Nederlandse Vrijwilligers programme

Margriet Glazenberg – Senior consultant at Cap Gemini and contracted by PharmAccess for the period January-April 2006 for the project in Nigeria

An impression by Margriet Glazenberg:

"Visiting Nigeria for the second time last week to further develop the proposal, I had a chance to visit the State Governor of Kwara State. I was at his house during the eclipse. The wife of the governor was preventing an epidemic of serious eye injuries in Kwara as she provided everybody with special eclipse glasses. The press was there to take pictures of the governor's family and guests staring at the sun. That same day the governor made a written statement testifying his support of the HIF community scheme in Kwara."



A young girl from a village in Kwara state

¹ In Aragonda, India, Apollo sells health insurance to low-income groups for less than 7 Euros per year per family. This covers medical treatment of up to 600 Euros approximately and free telemedicine consultations. The Aragonda Apollo Rural Hospital is a 50-bed Modern Health Centre with medical equipment that today caters for 7,000 people from the village and over 100,000 from the 28 neighbouring villages. Apollo is closely involved in the development and design of the programme proposal for the Health Insurance Fund in Nigeria.

Rwanda – Mutuelles versus private insurance: how to reach the population?

In February of this year Saskia Kersemaekers and Doriane Nzorubara of PharmAccess carried out a feasibility study for a Fund project in Rwanda. During the mission, the team explored which private and public insurance companies in Rwanda are offering health insurance; what products they are offering; which major target groups are currently targeted for the various health insurance schemes; and which additional target groups could be reached through a possible Fund programme.

Rwanda, as one of the poorer countries in Africa, has a limited private health insurance sector. GTZ has calculated that 80% of the population would be able to afford an insurance premium of \$1 a year, 20% would not. Poverty is mostly rural. In the 1990s, the government started introducing user fees for health services. For the poorest people in society, ARV drugs and tests are available for free through the public sector (Global Fund and PEPFAR). However, income statements are difficult to control in the public sector.



Woman in Rwanda eating sugarcane

Several insurance companies offer a mix of public and private services, but not all of them include HIV/AIDS care. Target groups are foremost in the formal sector (public and private employees, NGOs). The AAR insurance company started in October 2005 and has only a limited number of clients, all of which are in the top segment (NGOs, companies), and the products are expensive. SORAS is a Rwandese insurance company that started healthcare products in January 2006. They also have a limited clientele.

The health insurance scheme *Mutuelles* offers a very low-priced package of basic services, but the quality of healthcare delivery seems to be an issue. Still, the *Mutuelles* cover 38% of the population, approximately 3,000,000 people.

The initial study provided sufficient support to continue investigating the opportunities in Rwanda for programmes supported by The Fund.

Saskia Kersemaekers – Senior project manager at PharmAccess
Doriane Nzorubara – Project manager at PharmAccess in Rwanda

Feasibility studies in Kenya and Uganda

In February 2006, Chris van der Vorm and Jasper Bos visited Kenya to meet the people behind 'Microcare', an organisation that is located in Kampala, Uganda. Microcare is specialised in managed care especially for low-income groups. It covers a target group of approximately 15,000 people with a micro-loan for basic general health insurance.

Microcare works through a network of Microfinance Institutions (MFIs) and an ingenious patient-administrative and clinical management system. PharmAccess has suggested including the HIV/AIDS component in its existing insurance product. This would make it an attractive programme proposal for The Fund. The discussions between PharmAccess

and Microcare have led to the start of the development of a programme proposal for an HIV/AIDS insurance scheme for the existing clients of Microcare.

PharmAccess is in discussion with the Dutch AIDS Fonds and Stop AIDS Now! to set up workplace programmes for a potential number of 3180 employees of 75 local NGOs. The NGOs are supported by Dutch 'Co-Financing Organisations' (MFOs).

In March 2006, Chris van der Vorm and Hielko Bartlema visited Egerton University and Kenyatta University in Kenya. Both are public universities. These universities have 10,000 and 20,000 students, respectively. In both cases the management of the universities has reacted enthusiastically to the concept of adding on HIV/AIDS insurance to their existing general health insurance scheme for their students.

Chris van der Vorm – Senior project manager at PharmAccess and manager of the Health Insurance Fund
Jasper Bos, PhD – Senior project manager at PharmAccess and responsible for the development of products of PharmAccess and the design of the PharmAccess project management system.



Collection bureau for people with a micro-loan.
These low-income people are covered for basic general healthcare through an insurance programme managed by Microcare.

Health Insurance Fund

Meibergdreef 9/T1-220 1105 AZ Amsterdam
P.O. Box 22700 1100 DE Amsterdam The Netherlands
Phone +31 (0)20 566 71 58 Fax +31 (0)20 566 94 40
info@HIFund.org www.HIFund.org